

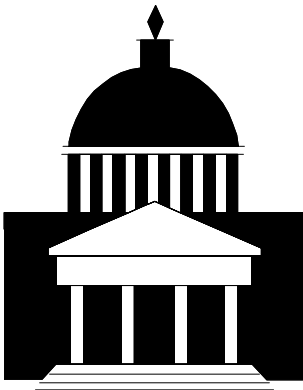
NJCFS Newsletter

OFFICE OF MANAGEMENT AND BUDGET

August 2001

Issue No. 35

SCHEDULE OF EXPENDITURES—FEDERAL AWARDS



Each year to fulfill the federal single audit mandate, it is incumbent on the Office of Management and Budget (OMB) to prepare a Schedule of Expenditures of Federal Awards. This schedule is a report of all disbursements of federal funds by Catalog of Federal Domestic Assistance (CFDA) number for the period July 1 to June 30.

In order to complete the schedule, it is necessary for each State agency to verify the disbursements recorded on NJCFS for each federal program in which it participates. Accordingly, OMB has submitted to the State agencies copies of their portion of a report which reflects disbursements by CFDA number for the period July 1, 2000 to June 30, 2001. It is the agency's responsibility to verify the accuracy of these amounts in writing to OMB along with any adjustments that must be made to the report to ensure the accuracy of the schedule. Adjustments must include the CFDA number and the account number (including object) being changed on the schedule.

In addition to the programs listed on the report, there are other disbursements that **must** be included on the schedule. If the State agency receives federal grant funds indirectly from a third party such as another state, a local government, a non-profit entity, etc., any disbursements of such funds **must** be reported. Therefore, it is required by each State agency to provide a list of these grants, the CFDA num-

ber for each, the third party source, the identification number assigned by the third party, and the total disbursements for the twelve-month period. Also, the value of any non-cash items provided by federal agencies and distributed by the State must be reported on the schedule. Examples of non-cash items are the value of food stamps and commodities distributed by State agencies. Please provide OMB with a list of these items, the CFDA number and the total value of the items distributed for the twelve-month period.

PRIOR YEAR AND CLAIM CITATIONS

The Fiscal Year 2002 Appropriations Act contains provisions authorizing the Director of OMB to process payments to liquidate prior year liabilities and to pay claims. When these transactions are submitted to OMB for approval, they should include the following citation information:

Prior Year Liabilities -
P.L. 2001, Chapter 130, Section 34

Claims -
P.L. 2001, Chapter 130, Section 42

The accounting transactions used to make these payments should not be fully approved by the agency. Documentation packages for these transactions should be submitted to Michael Henry, OMB - Accounting Bureau, 33 West State Street - 5th Floor, P.O. Box 221, Trenton, NJ 08625. Questions related to these payments should be directed to Michael at 609-292-0051.

INSIDE THIS ISSUE:

Change in ACH Pre-notification Period	2
Indirect Cost Recoveries	2
Timing of Payments	3
Business Registration Certificate	4
OMB Staff Additions	4
Questions and Answers	5

CHANGE IN ACH PRE-NOTIFICATION PERIOD

A recent change to the NJCFS Automated Clearinghouse (ACH) process decreases the number of business days within the NJCFS ACH pre-notification period to six.

The pre-notification period is the number of days that must elapse from the time a vendor is first registered as an NJCFS ACH recipient to the time an ACH disbursement will automatically be generated for that vendor. The pre-notification period allows for a zero-dollar ACH record to be processed through the banking system for the vendor prior to the transmission of a true dollar payment. If any processing errors occur with the zero-dollar record, the bank notifies OMB of the required corrections so that no subsequent dollar amount ACH payments fail for the vendor.

By decreasing the number of days in the pre-notification period, the NJCFS will generate payments by ACH for recently registered vendors following a shorter period than in the past. Many vendors will therefore avoid having to receive a check or checks after having registered as an NJCFS ACH recipient. This is especially important for ACH vendors who have requested that a change be made in their banking information. In those cases, their method of payment will revert to a check for a shorter period of time.

INDIRECT COST RECOVERIES

The procedures for recording and transmitting amounts recovered from all non-State funded programs, including federal, fee-supported and dedicated accounts have been revised. A new circular letter will be published superseding the original Circular Letter 94-26-OMB, which set forth the accounting policy for these transactions.

In the past, agencies were instructed to enter the interdepartmental account code 100-094-9500-1207 on indirect cost recovery transactions. This account should no longer be used, effective immediately. Following is the new State revenue account to be used when recording these transactions:

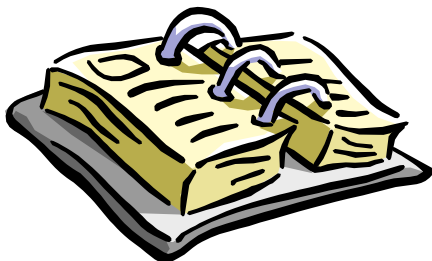
100-082-2040-8341

Agencies must also use the appropriate transaction in NJCFS when transmitting indirect cost recoveries to Treasury. The intra-governmental payment transactions, UA or AV, should be used for this purpose.

Questions concerning indirect cost recoveries should be directed to William Shannon at (609) 292-7008.

Agencies are reminded to use the new Indirect Cost Recovery revenue account :

100-082-2040-8341



TIMING OF PAYMENTS

From time to time, the Newsletter will feature articles from earlier issues that, due to the timeliness of their subject matter or as a result of repeated inquiries from agency users of the system, merit repeating. The following article, excerpted from the October 1998 issue of the Newsletter, Issue Number 24, meets both criteria.

Because of the increase in the use of the Automated Clearinghouse (ACH) payment feature in the NJCFS for both vendors and State employees, the following is being repeated to provide information on the timing that must be employed in processing ACH transactions to ensure accurate and timely payments.

ACH PAYMENTS

Automated Clearinghouse (ACH) payments include a three-day interim between the date the transaction is processed and the date the bank actually moves the amount of the payment to the payee's account. When payment vouchers for ACH payees are processed (using the proper Check Category Code and Single Check Flag indicator), an ACH disbursement record is produced the next business day, forwarded to the participating bank on the second business day and transferred from the State's bank account to the payee's account on the third business day. An example of this would be an ACH vendor payment voucher processed on 9/21/98 will generate an ACH disbursement file record on 9/22/98. The ACH file will be shipped to the bank on 9/23/98 and the amount will be settled in the payee's account on 9/24/98.

In the case of ACH payments, the use of the Scheduled Payment Date accelerates this process by one day. To accomplish this, the agency enters an ACH payment voucher (using the proper Check Category Code and Single Check Flag indicator) with a Scheduled Payment Date which is the same as the date the transac-

tion is approved and processed. The ACH disbursement is thereby generated on the same business day, forwarded to the participating bank the next business day, and transferred from the State's bank account to the payee on the second business day (e. g., an ACH vendor payment voucher processed on 10/20/98 with a Scheduled Payment Date of 10/20/98 will generate an ACH disbursement file record on 10/20/98; the ACH file will be conveyed to the bank on 10/21/98 and the amount settled in the payee's account on 10/22/98). These calculations are based on work days. In all cases, calculations of timing of payments must take into consideration that holidays and week ends are non-work days. If a holiday or week end is included in the processing period of an ACH payment, the calculation must add those additional days for processing. For example, an ACH payment processed on Friday October 23, with a scheduled pay date of October 23, would result in the money being moved to the payee's account on Tuesday October 27, due to the intervening week end.

For those situations in which amounts are being paid via the ACH process for items such as grant or state aid drawdowns where there are established pay-out schedules, it is crucial that agencies adhere to the payment schedules which have been shared with OMB's Cash Management Unit. This will ensure that sufficient funds are available to be transferred on the dates required. When payments are made which deviate from the payment schedule, agencies must notify Kathy Babula, Cash Management, of the changes at (609) 633-7913.

In the case of ACH payments, the process can be accelerated one day by entering the transaction processing date also as the Scheduled Payment Date.



BUSINESS REGISTRATION CERTIFICATE

On June 29, 2001, Acting Governor Donald DiFrancesco signed Senate Bill No. 2465 (First Reprint) into law as Chapter 134 of the Public Laws of 2001. Effective immediately, Chapter 134 requires contractors and subcontractors providing services to the State and casinos to register with the Division of Revenue within the Department of the Treasury. Under the new law, all affected contractors and subcontractors must provide proof of business registration to be awarded a contract.

Agencies should advise prospective contractors and subcontractors that they must obtain a Business Registration Certificate. To obtain a valid Business Registration Certificate, prospective contractors and subcontractors may register using the Division's Online Registration Service, which can be accessed at :

www.state.nj.us/njbgs/services/html

or by contacting the Division's hotline at (609) 292-1730 to request a registration form (NJ-REG). The Division will acknowledge a successful registration by sending a certificate to the contractor or subcontractor.

It is important to note that businesses that fail to provide proof of valid business registration or that provide false information of business registration are subject to penalties pursuant to Chapter 52 of Title 54 of New Jersey's Statutes, as well as penalties set forth in Chapter 134.

Any questions regarding the new law can be directed to the Treasury's Division of Revenue Client Registration Bureau at (609) 292-1730.

OMB STAFF ADDITIONS

The Accounting Bureau within the Office of Management and Budget welcomes two new additions to its staff. Carolyn Novak and Michael Poretti are both recent graduates of The College of New Jersey.

Carolyn joins the staff of the Accounting Operations Unit and will be working with agencies in reviewing and approving Transfers of Appropriation, Appropriation modifications and Revenue Budget transactions. Michael Poretti has joined the Applications Analysis/Interfaces Section in the Accounting Bureau and will be working on systems-related projects, including the anticipated NJCFS System Upgrade. Their talents and enthusiasm will make a welcome addition to our organization!



EASY WEB PAGE ACCESS!

The OMB website includes a menu item for Newsletters. By clicking on it, users can access all of the prior NJCFS Newsletters as well as an Index by topic. Our web address is:

www.state.nj.us/treasury/omb/index.html

QUESTIONS AND ANSWERS

Q. Since each Travel Authorization (TE/TH) with an open balance at fiscal year end was converted to an Agency Orders (AO), how are subsequent Travel Payment Vouchers (TV's) to be coded?

A. Travel Payment Vouchers (TV's) that are based on prior year authorizations must still contain the employee's ID number as well as the full TE or TH reference on the header portion of the TV. In addition, the line portion should include in the "ORD/REQ REFERENCE" fields the transaction code (AO), agency code, transaction number and line number of the AO. In addition, the line number of the TE/TH should also be entered in that field. This will allow the system to access the AO transaction to make the payment as well to update the travel tables that are based on the TE/TH transactions.

Because the AO is based on the TE or TH, the vendor ID number on the AO will be that of the employee, as it was on the original TE/TH. This means that TV payment transactions referencing the AO can only be processed for the employee—no other vendor number can be used.

Q. When keying in a transaction, is it always necessary to back out of the document when you want to perform a look up on one of the tables?

A. The **Pause** feature in NJCFS allows a user to leave a transaction temporarily, move to the Master Table Inquiry section of the system and perform data look-ups on one or more tables and then return to the transaction in a quick and easy manner. This is achieved by entering a "P" in the Function field of the transaction, followed by a space and the four-letter Table ID of the table that you wish to access; then pressing the Enter key. Once in the table side of the system, you may scan for any information needed as well as traveling to other tables for additional data searches.

Once data look-up has been completed, you can return to the transaction you were working on simply by entering an "E" in the Action field of the last table and pressing the Enter key.

Q. Does a transaction ever process automatically overnight when the status indicates Pre-approvals (P) for all the required levels?

A. Normally, a transaction indicates Pre-approvals when the agency places approvals on a transaction that has unresolved error messages, including override messages. Under these circumstances, the transaction will never be accepted if the condition causing the error message is not successfully resolved.

Once the condition has been

resolved, the agency need not re-approve the transaction, but can allow the transaction to be accepted in the overnight system process. The Approval Log Table (ALOG) will show the status of the transaction as fully pre-approved even though it has been accepted by the system.